Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1

BACKGROUND USE ONLY

file: CLAS general

18 June 1986

MEMORANDUM FOR THE RECORD:

STAT FROM:

STAT SUBJECT: Philosophy of CLAS

STAT 1. In a phone conversation I had on 17 June with to
STAT inform him of my conversation with concerning the
STAT upcoming course on supply which I cannot attend, offered several comments about his view of how CLAS ought to develop given the Agency's dependence on processing paper as the principal means of directing and documenting logistic activities. He is convinced that the blizzard of forms and the cumbersome administrative procedures need to be reduced (he noted that a million pieces of paper were printed by OL last year in the course of doing business as usual).

STAT 2. believes that the approval given by the requesting component satisfies the legal requirements for authorization to purchase and he thinks that a strict interpretation of the Agency regulation also allows for such a procedure. Moreover, it is the current de facto practice because the Logistics personnel accept whatever signature is shown on the requisition. (This pragmatic
STAT line of argumentation closely parallels contention about
STAT the approval given by Finance to spend funds.) added that he would accept the release by the station chief of a cable containing a request for supplies as adequate approval.

STAT 3. noted that the logistics system being built under CLAS still required a link to the budget. He would like to see the establishment of a subsidiary budget file in each component that would permit the processing of a supply request to charge the component budget immediately and directly. He thought that the Comptroller probably had little enthusiasm for such a system and he was not sanguine about Finance's reactions either. In any case, he intends to get together with Finance representatives later this month to discuss this issue.

STAT 4. I told that I was planning to visit MSA on Thursday, 19 June to discuss auditability of the individual MSA packages and
STAT of custom-built systems constructed of MSA modules. said that he was visiting MSA on 20 June to discuss the 5.0 version of the Accounts Payable package.

BACKGROUND USE ONLY

Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1

Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1

BACKGROUND USE ONLY

1 August 1986

MEMORANDUM FOR THE RECORD

STAT FROM: [redacted]

STAT SUBJECT: [redacted] Philosophy of CLAS (Part II)

STAT 1. I stopped by to see [redacted] on 29 July and we spent almost two hours discussing CLAS, during most of which time he elaborated on his concept of how the system should perform. (See MFR dated 18 June 1986, same subject) He noted that as far as he was concerned the objectives of CLAS were the same as those Logistics had outlined for LIMS and that the definition of system objectives spelled out in July 1982 for LIMS served as his "Bible" for CLAS.

2. Basically, his goal is to have a system where the Log officer in the component would verify a procurement request as he or she transmitted it and after it had been approved by the appropriate official within the requesting component. The requestor would also make the determination as to whether the
STAT item would come from stock or be purchased. [redacted] contends that under the current practice virtually all procurement requests are considered to be legitimate in any case so that the approval process is strictly pro forma. He believes that treating an initial request from a component Log officer as an approved requirement is within the policy established by the current regulations although he acknowledges that many Logistics people would probably balk -- at least initially -- at such a practice.

STAT 3. [redacted] pointed out that his view of CLAS is that the main purpose of the system is to allow Logistics to provide more responsive support. He does not believe that this aim should be accomplished at the expense of internal controls but he does maintain that the current controls are seemingly adequate and should not be enhanced at the cost of a more cumbersome and slower (not to mention expensive) supply system.

STAT 4. It is clear that [redacted] has given this problem a lot of thought and he is fully aware of the unorthodoxy of his views. Still he is convinced that a simpler procurement and distribution process would be more effective -- and just as controlled -- as the one the Agency now has. He notes that the number of requisitions that are disapproved today are trifling. He notes further that effective control could be obtained by a review after the fact. For example, if a list of

BACKGROUND USE ONLY

Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1

Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1

procurements were reviewed the day after the order was placed, questionable items could be placed on suspense even though the shipment had already been prepared by the depot, or the purchase order had been cut. Judging from the present practices and the frequency of procurement requests that now are subsequently modified, these stop orders would be rare.

STAT 5. A principal feature of [redacted] concept is that it models the supply system on an industrial flow process. It takes action by management to stop the flow rather than, as is now the case, to start it. It is a procedure that calls for STAT management by exception. [redacted] estimates that fewer than one percent of the total procurement activity is so complicated that manual intervention would be required (most of these instances would involve contracting), and that the present methods could be used until a more efficient automated system were devised. In the meantime the bulk of the office's workload could be streamlined by an automated system that operated on an exception basis.

STAT 6. [redacted] appeared to have gone through a series of alternatives before reaching his conclusions about how CLAS should operate. The logic runs something like this:

If the customer has to fill out a Form 88 or its equivalent to initiate the procurement process and all the attendant paperwork that is now required is retained, then CLAS is not needed at all.

If the customer can make the request from the terminal but follow-up documentation is required, then some time may be saved but the system is still not taking full advantage of automation.

The logical alternative then is to have the terminal request serve as the necessary and sufficient condition for setting the process in motion.

STAT 7. [redacted] is concerned about the tie-in between the budget and the logistics system. While he is convinced that the funds availability check that is made today is not usually reliable, he believes that such a determination could (and should) be made on real-time basis. This consideration led STAT [redacted] to raise the question of whether CLAS should lag BARS -- at least the Agency Budget Execution segment.

STAT 8. [redacted] is generally satisfied with the progress on CLAS although he regrets that the technical advisers from both OIT and TRW appeared equally unfamiliar with IDMS/R and many features of the MSA packages. He estimates that the Agency has only slipped about a month after being some six months into the original 18 month schedule. He is however not sanguine about maintaining the same pace for the remainder of the project.

Declassified in Part - Sanitized Copy Approved for Release 2013/08/01 : CIA-RDP90-00191R000100080004-1